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**AGREEMENT TO ASSIGN**

**FIRM TRANSPORTATION CAPACITY OF IROQUOIS GAS  
TRANSMISSION AND TENNESSEE GAS PIPELINE**

**BETWEEN**

**ENRON CAPITAL & TRADE RESOURCES CORP.**

**AND**

**BOSTON GAS COMPANY**

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**AGREEMENT TO ASSIGN  
FIRM TRANSPORTATION CAPACITY OF IROQUOIS GAS TRANSMISSION  
AND TENNESSEE GAS PIPELINE**

THIS AGREEMENT made as of the 12th day of November, 1997,

BETWEEN:

**BOSTON GAS COMPANY**, a Massachusetts corporation (hereinafter referred to as "Boston");

- and -

**ENRON CAPITAL & TRADE RESOURCES CORP.**, a Delaware corporation (hereinafter referred to as "ECT").

WHEREAS, Boston has agreed to assign or cause to be assigned the Assigned Capacity (as hereinafter defined) to ECT and ECT has agreed to accept such assignment;

NOW THEREFORE, in consideration of the premises hereto and the mutual covenants and agreements herein set forth, the parties hereto mutually agree as follows:

**ARTICLE 1.  
DEFINITIONS**

**1.1. Definitions.** In this Agreement:

"*Assigned Capacity*" means the Assigned Iroquois Gas Transmission ("Iroquois") Capacity service and the Assigned Tennessee Gas Pipeline Capacity service ("Tennessee");

"*Assigned Iroquois Capacity*" means 35,000 MMBtu per day (plus fuel) of Iroquois Service;

"*Assigned Iroquois Rate*" shall mean a rate equal to 89.27% of the rate for Iroquois Service computed on a 100% load factor basis, which is the rate that Boston is obligated to cause Iroquois to post under the terms of this Agreement;

"*Assigned Tennessee Capacity*" means 35,000 MMBtu per day of (delivered) Tennessee Service;

"*Assigned Tennessee Rate*" shall mean a rate equal to 89.27% of the rate for Tennessee Service computed on a 100% load factor basis, which is the rate that Boston is obligated to cause Tennessee to post under the terms of this Agreement;

"*Assignment Date*" means January 1, 1998;

"*Business Day*" means any day other than a Saturday, a Sunday or a statutory holiday in New York;

"*MDPU*" means Massachusetts Department of Public Utilities;

"*Dollars*" and "*\$*" refer to dollars of the lawful currency of the United States of America;

"*Iroquois*" means Iroquois Gas Transmission System L.P., a Delaware limited partnership;

"*Iroquois Pipeline*" means the pipeline facilities of Iroquois from the border between Canada and the United States of America near Waddington, New York;

**"Iroquois Service"** means Rate Schedule RTS Firm Transportation Service from the Interconnect Border at Waddington, New York to the Interconnect with Tennessee at Wright.

**"MMBtu"** means a million British thermal units;

**"Parties"** means Boston and ECT and **"Party"** means either of them;

**"Tennessee"** means Tennessee Gas Pipeline Company, a Delaware corporation;

**"Tennessee Service"** means the Rate Schedule FT-A Firm Transportation Service from the Interconnect with Iroquois at Wright, New York to the Boston City Gate Delivery Point.

**"Termination Date"** has the meaning given by Section 2.2;

**"Transfer Documents"** means all documentation required by Iroquois and Tennessee in respect of the assignment of the Assigned Capacity from Boston to ECT, in each case, effective on the applicable Assignment Date.

1.2. **Article and Section References.** Unless otherwise expressly provided, a reference in this Agreement to an "Article", "section" or "subsection" is a reference to an article, section or subsection of this Agreement.

1.3. **Headings.** The headings in this Agreement are for convenience only and shall not effect or be considered in the interpretation of this Agreement.

## ARTICLE 2. TRANSFER OF CAPACITY

2.1. **Agreement to Transfer.** Subject to the terms and conditions hereof, Boston agrees to assign or cause to be assigned the Assigned Capacity to ECT and ECT agrees to accept such assignment of the Assigned Capacity.

2.2. **Assignment Date.** The transfer and assignment of the Assigned Capacity pursuant hereto shall be effective on the Assignment Date. The term of this Agreement shall be for a period beginning on the Assignment Date and continuing through March 31, 2007 (the "Termination Date"). Boston shall remain entitled to all rights and benefits with respect to the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and from and after the Termination Date and shall be liable for all liabilities and obligations with respect to the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and from and after the Termination Date. ECT shall be entitled to all rights and benefits with respect to the Assigned Capacity accruing or pertaining to periods on or after the applicable Assignment Date and prior to the Termination Date and shall be liable for all liabilities and obligations with respect to the Assigned Capacity accruing or pertaining to periods on or after the applicable Assignment Date and prior to the Termination Date.

2.3. **Assumption of Obligations.** During the term of this Agreement, ECT shall assume all liabilities and obligations associated with the Assigned Capacity under the tariffs applicable to the Assigned Capacity which arise or accrue from and after the applicable Assignment Date until the termination of this Agreement. ECT shall receive the Assigned Capacity at 89.27% of the rate for Iroquois Service and Tennessee Service computed on a 100% load factor basis. Should Boston post the Assigned Iroquois Capacity and the Assigned Tennessee Capacity on the respective pipelines electronic bulletin boards and the Assigned Capacity receive a higher bid than ECT's bid, the following shall occur: ECT shall be entitled to match the higher bid price, in which case Boston shall reduce the Assigned TCPL Tolls and Assigned NOVA Tolls, consistent with Section 2.3 of the Agreement to Assign Firm NOVA and TCPL Transportation Capacity between ECT Canada and Boston, necessary to achieve the required 89.27% average across all four transportation contracts (of Iroquois, Tennessee, NOVA Gas

Transmission Ltd. and TransCanada PipeLine Ltd. for the delivery of 35,000 MMBtu per day to the Boston Citygate).

**2.4 Termination.** At the end of the term of this Agreement, the Assigned Capacity shall automatically revert back to Boston or its third-party nominee who shall be liable for all liabilities and obligations with respect to the Assigned Capacity on and after the Termination Date and the Parties shall forthwith execute and deliver to Iroquois and Tennessee all instruments and documentation as may be required by Iroquois and Tennessee to give effect to such revision of the Assigned Capacity to Boston or its third-party nominee, and to release and discharge ECT from all liabilities and obligations for the Assigned Capacity from and after the Termination Date.

### ARTICLE 3. CONDITIONS

**3.1. Boston's Conditions.** Boston's obligations hereunder to the assignment of the Assigned Capacity to ECT is subject to the following conditions:

- (i) the representations and warranties made by ECT herein shall be true and correct as of the Assignment Date;
- (ii) ECT shall have performed all of the obligations required to be performed by it hereunder at or prior to the Assignment Date;
- (iii) on or before the Assignment Date, Iroquois and Tennessee shall have confirmed that ECT satisfies its creditworthiness requirements for purposes of permitting the transfer of the Assigned Capacity to ECT for the term that such Assigned Capacity is to be released to ECT;
- (iv) Boston shall insure that the capacity release posted by Iroquois and Tennessee, specifically states the Assigned Iroquois Rate and the Assigned Tennessee Rate, respectively;
- (v) any encumbrances shall be eliminated by the Assignment Date; and
- (vi) by the Assignment Date, Boston Shall have received from the MDPU an order authorizing Boston to enter into the purchase and sale agreement between ECT and Boston for the purchase by Boston from ECT of 35,000 MMBtu of natural gas delivered to the Boston Citygate for a period of delivery ending March 31, 2007 (the "MPDU Approval").

If any of such conditions are not satisfied at or prior to the Assignment Date, the Parties shall be released from all obligations under this Agreement.

**3.2. ECT's Conditions.** ECT's obligations to accept the assignment of the Assigned Capacity are subject to the following conditions:

- (i) the representations and warranties made by Boston herein shall be true and correct on the Assignment Date;
- (ii) Boston shall have performed all of the obligations required to be performed by it hereunder on or before the Assignment Date;
- (iii) on or before the Assignment Date, Iroquois and Tennessee shall have confirmed that ECT satisfies its creditworthiness requirements for purposes of permitting the transfer of the Assigned Capacity to ECT;

(iv) ECT shall have been the successful bidder for both the Assigned Iroquois Capacity and the Assigned Tennessee Capacity;

(v) ECT shall have had the opportunity to perform the required due diligence, including review of the underlying gas transportation contracts with Iroquois and Tennessee;

(vi) ECT shall have received signed confirmation letters (including any amendments thereto and, including any such amendments, in form and content solely satisfactory to ECT) to acquire 35,000 MMBtu's, in aggregate, of upstream natural gas from Alberta, Canada producers whose gas will be transported on the Assigned Iroquois Capacity and the Assigned Tennessee Capacity and such confirmation letters (as so amended) shall be in full force and effect. ECT shall notify Boston when they receive the signed confirmation letters;

(vii) the Agreement to Assign Firm NOVA and TCPL Transportation Capacity between ECT Canada and Boston shall have been executed and ECT Canada shall have been awarded the Assigned NOVA Capacity and the Assigned TCPL Capacity (as such terms are referred to in that Agreement); and

(viii) by the Assignment Date, Boston shall have obtained the MDPU Approval.

If any of such conditions are not satisfied at or prior to the Assignment Date, the Parties shall be released from all obligations under this Agreement.

### 3.3 Regulatory Approvals.

- (a) In this section, "Regulatory Authorities" means all governmental, regulatory authorities having jurisdiction over the assignment of the Assigned Capacity pursuant hereto including without limitation, the Federal Energy Regulatory Commission ("FERC").
- (b) Boston shall take all action necessary to ensure that the assignment of the Assigned Capacity pursuant hereto is made in compliance with all requirements of Regulatory Authorities and the tariff provisions of Iroquois and Tennessee applicable to the release of capacity in the manner contemplated by this Agreement.
- (c) Notwithstanding the foregoing provisions of Section 3.3(b) above, if as a result of Boston posting the Assigned Capacity in accordance with the requirements of FERC, any third party shall request to take an assignment from Boston of the Assigned Capacity at a higher rate than the rate at which the capacity has been posted by Boston, ECT shall be entitled to, and is obligated to, match the amount, if any, bid by such third party.

## ARTICLE 4. TRANSFER DOCUMENTS

4.1. **Execution of Documents.** Between the date hereof and the Assignment Date, each Party shall execute and deliver or cause third parties to execute and deliver the Transfer Documents and take all other actions required by Iroquois and Tennessee or the terms of the tariffs applicable to the Assigned Capacity in order to transfer the Assigned Capacity from Boston to ECT effective on the Assignment date.



**ARTICLE 5.**  
**ACTIONS PRIOR TO THE ASSIGNMENT DATE**

5.1. **Creditworthiness Requirements.** Prior to the Assignment Date, ECT shall provide all information which Iroquois and Tennessee may reasonably request in order to satisfy their requirements respecting the creditworthiness ECT for purposes of the assignment of the Assigned Capacity pursuant hereto.

5.2. **Activities of Boston.** Between the date hereof and the Assignment Date, Boston shall comply with and perform all of its liabilities and obligations in respect of the Assigned Capacity.

**ARTICLE 6.**  
**REPRESENTATIONS AND WARRANTIES**

6.1. **Mutual Representations and Warranties.** Each Party represents and warrants to each other Party that:

- (a) **Corporate Authority:** It is and at the date of this Agreement and the Assignment Date will be a corporation, duly organized and validly existing under the laws of its jurisdiction of incorporation with the requisite corporate power and authority to perform its obligations under this Agreement;
- (b) **No Conflicts:** The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, its articles of incorporation and by-laws or other similar constitutional documents or any judgment, decree, order, law, statute, rule or regulation applicable to it;
- (c) **Execution of Documents:** This Agreement has been duly executed and delivered by it and the Transfer Documents will be duly executed and delivered by it and this Agreement does, and the Transfer Documents will, constitute legal, valid and binding obligations of such Party enforceable against it in accordance with their terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditors' rights generally and the discretion of courts with respect to equitable or discretionary remedies and defenses; and

6.2. **Additional Representation of Boston.** Boston hereby represents and warrants to ECT that:

- (a) **No Encumbrances:** Should any encumbrances now exist with respect to the Assigned Capacity, they shall be eliminated by the Assignment Date. The Assigned Capacity shall also be free and clear of all liens, mortgages, pledges, charges, encumbrances and adverse claims created by, through or under Boston or any third parties, except the terms and conditions of the tariffs applicable to the Assigned Capacity; and
- (b) **No Defaults:** Boston and any respective third parties related to this Agreement have complied with and performed all of its liabilities and obligations in respect of the Assigned Capacity and is not in default in respect thereof.

6.3. **No Other Representations and Warranties.** Neither Party makes any representations or warranties whatsoever in connection with the transactions contemplated hereby except as and to the extent expressly set forth in Sections 6.1 and 6.2. A Party shall have no liability and responsibility, whether in contract, tort or otherwise, for any statements, representations or warranties except those in Sections 6.1 and 6.2 including, without limiting the generality of the foregoing, any opinion, information



or advice which may have been provided by it or any of its officers, shareholders, directors, employees, agents, consultants or representatives.

## ARTICLE 7. GENERAL

- 7.1. **Assignment.** No Party shall assign its rights or obligations hereunder.
- 7.2. **Indemnities.**
- (a) Boston agrees to indemnify, defend and hold harmless ECT, its parent or other affiliates, partners, successors, assigns, legal representatives, officers, directors, shareholders, agents and employees of ECT (collectively, "ECT Indemnified Persons"), from and against all claims, causes of action, damages, suits, judgments, settlements made by an ECT Indemnified Person, and liabilities of every kind, including all expenses of litigation, court costs and reasonable attorneys' and expert witness fees, civil or criminal fines or penalties or similar payments, or other losses not enumerated above (hereafter referred to collectively as the "ECT Indemnified Person Claims"), caused by or arising out of, (i) Boston's breach of any portion of its obligations, covenants, representations, or warranties contained in this Agreement, (ii) Boston's acts or omissions with regard to this Agreement or the transactions documented hereby, or (iii) all obligations and liabilities for the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and from and after the Termination Date and for the balance of the obligations and liabilities for the Assigned Capacity.
- (b) ECT agrees to indemnify, defend and hold harmless Boston, its parent or other affiliates, partners, successors, assigns, legal representatives, officers, directors, shareholders, agents and employees of Boston (collectively, "Boston Indemnified Persons"), from and against all claims, causes of action, damages, suits, judgments, settlements made by an Boston Indemnified Person, and liabilities of every kind, including all expenses of litigation, court costs and reasonable attorneys' and expert witness fees, civil or criminal fines or penalties or similar payments, or other losses not enumerated above (hereafter referred to collectively as the "Boston Indemnified Person Claims"), caused by or arising out of, (i) ECT's breach of any portion of its obligations, covenants, representations, or warranties contained in this Agreement, (ii) ECT's acts or omissions with regard to this Agreement or the transactions documented hereby, or (iii) all obligations and liabilities for the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and from and after the Termination Date and for the balance of the obligations and liabilities for the Assigned Capacity.
- 7.3. **Limitation of Liability.** Notwithstanding any of the above, neither party shall be liable for special, consequential, punitive, exemplary, or indirect damages in tort or contract..
- 7.4. **Survival of Covenants, Indemnities, Representations and Warranties.** The covenants, indemnities, representations and warranties contained in this Agreement shall survive the assignment and shall be separate from and additional to those contained in the Transfer Documents and any other documents delivered pursuant to this Agreement.
- 7.5. **Further Assurances.** Each Party will, from time to time and at all times, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

7.6. **Entire Agreement.** The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understanding among the Parties relating to the subject matter hereof.

7.7. **Governing Law.** This Agreement shall be subject to and interpreted, construed and enforced in accordance with the laws of the State of New York.

7.8. **Inurement.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

7.9. **Time of Essence.** Time shall be of the essence in this Agreement.

7.10. **Notices.** The addresses and fax number of each Party for notices shall be as follows:

**Boston:**

Boston Gas Company  
One Beacon Street  
Boston, MA 02108

Attention: Vice President - Gas  
Resources  
Fax: (617) 742-0041

**ECT:**

Enron Capital & Trade  
Resources, Corp.  
1400 Smith Street  
Houston, Texas 77002

Attn: Vice President-Transportation  
Fax: (713) 646-3460

Any notice, communication or statement (a "notice") required, permitted or contemplated hereunder shall be in writing and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by fax to a Party to the fax number of such Party for notices, in which case, if the notice was faxed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was faxed and if it is faxed on a day which is not a Business Day or is faxed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labor disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the

address of such Party for notices, in which case the notice shall be deemed to have been received by that Party on the fifth Business Day following the date of mailing.

A Party may from time to time change its address for service or its fax number for service by giving written notice of such change to the other Party.

7.11. **Invalidity of Provisions.** In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.12. **Waiver.** No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

7.13. **Remedies Generally.** No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law or in equity or by statute or otherwise conferred.

7.14. **Amendment.** This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

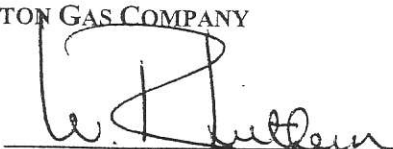
7.15. **Counterpart Execution and Delivery by Fax.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement. Delivery of a facsimile of an executed counterpart of this Agreement shall be as legally effective as delivery of an original executed counterpart and if each Party delivers either an original or a facsimile copy of a counterpart of this Agreement executed by it to the other Party, this Agreement shall be a valid and binding agreement between the Parties.

7.16. **Prior Agreements.** Any and all agreements executed by the Parties at a time prior to the execution of this Agreement that pertain in some manner to the subject matter of this Agreement shall be void as a matter of law.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

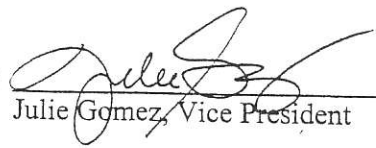
BOSTON GAS COMPANY

By:

  
William R. Lutheran, Vice President  
LUTHERAN

ENRON CAPITAL & TRADE RESOURCES CORP.

By:

  
Julie Gomez, Vice President  
mg